

February 26, 2019

The Honorable Frank Pallone
2107 Rayburn House Office Building
Washington, DC 20515

The Honorable Janice Schakowsky
2367 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Walden
2185 Rayburn House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
1035 Longworth House Office Building
Washington, DC 20515

Dear Representatives:

On behalf of the National Association of Mutual Insurance Companies (NAMIC), I write regarding the Subcommittee on Consumer Protection and Commerce hearing on “Protecting Consumer Privacy in the Era of Big Data” on February 26, 2019. NAMIC has been a leader in the property/casualty insurance industry in the conversation surrounding data security and privacy and we appreciate your committee’s focus on such a crucial issue of national importance.

NAMIC is the oldest property/casualty insurance trade association in the country, with more than 1,400-member companies representing 41 percent of the total market. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country’s largest national insurers. NAMIC member companies serve more than 170 million policyholders and write more than \$253 billion in annual premiums. Our members account for 54 percent of homeowners, 43 percent of automobile, and 35 percent of the business insurance markets. Through our advocacy programs, we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve and foster greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.

We are writing to the Committee to express our support for uniformity across the country for data security and privacy standards for insurance companies. Any plan must provide for the recognition of unique industries such as the property/casualty insurance industry. The insurance industry currently faces a complex web of differing state requirements on breach notification and increasingly in data security standards. These inconsistencies force some in the insurance industry to wastefully focus on complying with differing standards instead of concentrating exclusively on protecting consumers’ data.

We represent a wide assortment of companies providing valuable services to consumers, and any legislation should account for the different threats these entities face. Therefore, data security requirements should be risk-based and scalable; this



flexibility will ensure that companies have the necessary protections in place to secure consumer data proportionate with its risk and the evolving threat landscape.

Property/Casualty insurers, as you know, are functionally regulated by state insurance commissioners in all 50 states. These regulators bring considerable expertise and regional experience that surpasses the ability of the Federal government in the complex world of insurance regulation. We look forward to working with you to alleviate the problems caused by the patchwork of data security and privacy laws in a way that also reinforces the state-based regulatory framework that works well for insurers and policyholders.

As an industry that has extensive experience with data security and privacy compliance, we look forward to working with the Committee on this important issue. Thank you for your consideration and we would welcome the opportunity to discuss further.

Sincerely,

Jimi Grande
Senior Vice President, Government Affairs
National Association of Mutual Insurance Companies